

# Senate File 500 - Introduced

SENATE FILE \_\_\_\_\_  
BY COMMITTEE ON ECONOMIC  
GROWTH

(SUCCESSOR TO SSB 1298)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act establishing the office of renewable energy and the Iowa  
2 power fund and related provisions, and providing an effective  
3 date.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5 TLSB 2818SV 82

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1 1 Section 1. NEW SECTION. 469.1 DEFINITIONS.

1 2 For the purposes of this chapter:

1 3 1. "Council" means the Iowa power fund council created in  
1 4 section 469.4.

1 5 2. "Director" means the director of renewable energy.

1 6 3. "Fund" means the Iowa power fund created in section  
1 7 469.5.

1 8 4. "Office" means the governor's office of renewable  
1 9 energy.

1 10 Sec. 2. NEW SECTION. 469.2 OFFICE OF RENEWABLE ENERGY.

1 11 The office of renewable energy is established in the office  
1 12 of the governor to coordinate state activities concerning  
1 13 renewable energy.

1 14 Sec. 3. NEW SECTION. 469.3 DIRECTOR OF RENEWABLE ENERGY.

1 15 1. A director of renewable energy shall be appointed by  
1 16 the governor, subject to confirmation by the senate, and shall  
1 17 serve at the pleasure of the governor. The governor shall  
1 18 fill a vacancy in the office in the same manner as the  
1 19 original appointment was made. The director shall be selected  
1 20 primarily for administrative ability and knowledge concerning  
1 21 renewable energy, renewable fuels, and energy efficiency. The  
1 22 salary of the director shall be fixed by the governor.

1 23 2. The director shall do all of the following:

1 24 a. Direct the governor's office of renewable energy.

1 25 b. Manage the Iowa power fund.

1 26 c. Lead outreach and public education efforts concerning  
1 27 renewable energy, renewable fuels, and energy efficiency.

1 28 d. Pursue new research and investment funds from federal  
1 29 and private sources.

1 30 e. Coordinate and monitor all existing state and federal  
1 31 renewable energy, renewable fuels, and energy efficiency  
1 32 grants and programs.

1 33 f. Advise the governor and lieutenant governor concerning  
1 34 renewable energy, renewable fuels, and energy efficiency  
1 35 policy and legislation.

2 1 g. Establish performance measures for determining  
2 2 effectiveness of renewable energy, renewable fuels, and energy  
2 3 efficiency efforts.

2 4 h. Utilize assistance from the department of economic  
2 5 development regarding administration of grants, loans, and  
2 6 other financial incentives related to section 469.5,  
2 7 subsection 3, paragraph "a", subparagraph (1), the department  
2 8 of natural resources and the utilities board regarding  
2 9 assistance in the administration of grants, loans, and other  
2 10 financial incentives related to section 469.5, subsection 3,  
2 11 paragraph "a", subparagraph (2), and other state agencies as  
2 12 appropriate.

2 13 i. Coordinate with the department of natural resources  
2 14 regarding the development of the state energy plan pursuant to  
2 15 section 473.7.

2 16 j. Submit an annual report to the governor and general

2 17 assembly by November 1 of each year concerning the activities  
2 18 and programs of the office, Iowa power fund, and other  
2 19 departments related to renewable energy, renewable fuels, and  
2 20 energy efficiency. The report shall include an assessment of  
2 21 needs with respect to renewable energy, renewable fuels, and  
2 22 energy efficiency efforts and policy and fiscal  
2 23 recommendations for renewable energy, renewable fuels, and  
2 24 energy efficiency.

2 25 k. Adopt rules pursuant to chapter 17A concerning the  
2 26 office, the Iowa power fund, and the programs and functions of  
2 27 the office and the fund.

2 28 Sec. 4. NEW SECTION. 469.4 IOWA POWER FUND COUNCIL.

2 29 1. A nine-member Iowa power fund council is created with  
2 30 the following membership:

2 31 a. The chairperson of the utilities board or the  
2 32 chairperson's designee.

2 33 b. The director of the department of economic development  
2 34 or the director's designee.

2 35 c. The director of the department of natural resources or  
3 1 the director's designee.

3 2 d. Six members appointed by the governor subject to  
3 3 confirmation by the senate. An appointee shall have  
3 4 demonstrated experience or expertise in one or more of the  
3 5 fields of renewable energy, renewable fuels, energy  
3 6 efficiency, greenhouse gas reductions, utility operations,  
3 7 research and development of new technologies,  
3 8 commercialization of new technologies, and economic  
3 9 development.

3 10 2. The members appointed by the governor shall be  
3 11 appointed for three-year staggered terms beginning and ending  
3 12 as provided in section 69.19. A vacancy on the council shall  
3 13 be filled for the unexpired term in the same manner as the  
3 14 original appointment was made.

3 15 3. The members of the council shall be reimbursed for  
3 16 actual and necessary travel and related expenses incurred in  
3 17 the discharge of official duties. Each member of the council  
3 18 may also be eligible to receive compensation as provided in  
3 19 section 7E.6.

3 20 4. A majority of the members of the council constitutes a  
3 21 quorum, and a majority of the total membership of the council  
3 22 is necessary to act in any matter within the jurisdiction of  
3 23 the council.

3 24 5. The duties of the council include all of the following:

3 25 a. Consider and approve grants, loans, or investments made  
3 26 from the fund.

3 27 b. Advise the governor and director concerning strategic  
3 28 direction for the fund.

3 29 c. Provide the governor with advice concerning economic  
3 30 development, policy, technical issues, and strategic direction  
3 31 concerning renewable energy, renewable fuels, and energy  
3 32 efficiency.

3 33 Sec. 5. NEW SECTION. 469.5 IOWA POWER FUND.

3 34 1. The Iowa power fund is created in the state treasury  
3 35 under the control of the office. The fund shall be separate  
4 1 from the general fund of the state and the balance in the fund  
4 2 shall not be considered part of the balance of the general  
4 3 fund of the state. However, the fund shall be considered a  
4 4 special account for the purposes of section 8.53, relating to  
4 5 generally accepted accounting principles.

4 6 2. The Iowa power fund shall be used to further the goals  
4 7 of increasing the production, development, and use of biofuels  
4 8 and other sources of renewable energy, improve energy  
4 9 efficiency, and reduce greenhouse gas emissions, and shall  
4 10 encourage and provide for research, development,  
4 11 commercialization, and the implementation of energy  
4 12 technologies and practices. The technologies and practices  
4 13 should reduce this state's dependence on foreign sources of  
4 14 energy and finite fossil fuels, reduce emissions of greenhouse  
4 15 gases and other environmental impacts, and meet the demand for  
4 16 energy services in an economically viable manner. The  
4 17 research, development, commercialization, implementation, and  
4 18 distribution of such technologies and practices are intended  
4 19 to sustain the environment and develop business in this state  
4 20 as Iowans market these technologies and practices to the  
4 21 world.

4 22 3. The fund shall consist of appropriations made to the  
4 23 fund and other moneys available to and obtained or accepted by  
4 24 the office from federal or private sources to the credit of  
4 25 the fund. Notwithstanding section 12C.7, subsection 2,  
4 26 interest or earnings on moneys in the fund shall be credited  
4 27 to the fund.

4 28 4. a. Moneys available in the fund for a fiscal year are  
4 29 appropriated to the office to be used in providing financial  
4 30 assistance to entities conducting business, research, or  
4 31 programs in Iowa:  
4 32 (1) To accelerate research and development, knowledge  
4 33 transfer, technology innovation, and improve the economic  
4 34 competitiveness of efforts furthering the goals stated in  
4 35 subsection 2.  
5 1 (2) To increase the demand for and educate the public  
5 2 about technologies and approaches furthering the goals stated  
5 3 in subsection 2.  
5 4 b. Eligibility criteria for grants awarded or loans made  
5 5 pursuant to paragraph "a" after due diligence activities shall  
5 6 be established by the director by rule, and shall include  
5 7 documentation relating to the actual or potential development  
5 8 of the following:  
5 9 (1) Commercialization of technology and product  
5 10 development for sale in the national and international market.  
5 11 (2) Utilization of crops and products grown or produced in  
5 12 this state.  
5 13 (3) Reduction of greenhouse gas emissions and carbon  
5 14 sequestration.  
5 15 (4) Private or federal matching funds.  
5 16 c. The council may reclaim any moneys granted or loaned if  
5 17 the commitments set forth in the documentation required  
5 18 pursuant to paragraph "b" are not met.  
5 19 d. All grant and loan recipients must provide to the  
5 20 council a report on the use and effectiveness of the moneys  
5 21 granted or loaned on a periodic basis as determined by the  
5 22 council.  
5 23 5. Except as otherwise designated by law, the office shall  
5 24 not utilize more than two hundred fifty thousand dollars of  
5 25 the amount appropriated from the fund for a fiscal year for  
5 26 administrative costs.  
5 27 6. Notwithstanding section 8.33, moneys credited to the  
5 28 Iowa power fund shall not revert to the fund from which  
5 29 appropriated.  
5 30 Sec. 6. NEW SECTION. 469.6 IOWA POWER FUND ==  
5 31 APPROPRIATION.  
5 32 1. There is appropriated from the general fund of the  
5 33 state to the office of renewable energy for each fiscal year  
5 34 of the fiscal period beginning July 1, 2008, and ending June  
5 35 30, 2011, the sum of twenty-five million dollars to be used  
6 1 for awarding grants and making loans from the Iowa power fund  
6 2 created in section 469.5.  
6 3 2. Of the moneys appropriated to the office and deposited  
6 4 in the fund, the following shall be allocated on an annual  
6 5 basis as follows:  
6 6 a. For energy planning and education:  
6 7 (1) One hundred fifty thousand dollars to the department  
6 8 of natural resources for development of the state energy plan  
6 9 pursuant to section 473.7.  
6 10 (2) One hundred fifty thousand dollars to the department  
6 11 of natural resources for the operation of a greenhouse gas  
6 12 commission.  
6 13 (3) Two hundred thousand dollars to the department of  
6 14 public safety for education, training, and outreach by the  
6 15 state building code commissioner to encourage compliance with  
6 16 energy conservation requirements incorporated into the state  
6 17 building code established in chapter 103A.  
6 18 (4) Three hundred thousand dollars to the department of  
6 19 education to develop a database for school energy consumption.  
6 20 (5) One hundred thousand dollars to the center for energy  
6 21 and environmental education at the university of northern Iowa  
6 22 for public education and outreach relating to energy  
6 23 conservation.  
6 24 (6) One hundred thousand dollars to the center for global  
6 25 and regional environmental research for public education and  
6 26 outreach on greenhouse gas reductions in this state.  
6 27 b. For energy efficiency:  
6 28 (1) One million dollars to the Iowa power fund council for  
6 29 grants for green building public and school building  
6 30 construction.  
6 31 (2) One million dollars to the Iowa power fund council for  
6 32 local government and nonprofit energy saving innovation  
6 33 grants.  
6 34 c. For renewable energy and fuels development:  
6 35 (1) One million dollars for expansion of the alternate  
7 1 energy revolving loan fund administered by the Iowa energy  
7 2 center pursuant to section 476.46.  
7 3 (2) Five hundred thousand dollars to the Iowa energy

7 4 center for additional research projects.  
7 5 (3) Five hundred thousand dollars to the university of  
7 6 northern Iowa for a development project relating to perennial  
7 7 prairie grass as a source of power and fuel.

7 8 Sec. 7. IOWA POWER FUND. There is appropriated from the  
7 9 general fund of the state to the office of renewable energy  
7 10 for the fiscal year beginning July 1, 2006, and ending June  
7 11 30, 2007, the following amount, or so much thereof as is  
7 12 necessary, to be used for the purposes designated:

7 13 For deposit in the Iowa power fund created in section  
7 14 469.5:

7 15 ..... \$ 24,420,000

7 16 The amount appropriated in this section is subject to the  
7 17 annual allocations to be made from the fund pursuant to  
7 18 section 469.6.

7 19 Sec. 8. EFFECTIVE DATE. This Act, being deemed of  
7 20 immediate importance, takes effect upon enactment.

7 21 EXPLANATION

7 22 This bill creates the governor's office of renewable  
7 23 energy, the position of director of renewable energy, the Iowa  
7 24 power fund council, and the Iowa power fund in new Code  
7 25 chapter 469. Duties for the office, director, and council are  
7 26 specified. Grants, loans, and investments made from the fund  
7 27 are subject to approval by the council.

7 28 The bill provides that the Iowa power fund shall be used to  
7 29 further the goals of increasing the production, development,  
7 30 and use of biofuels and other sources of renewable energy,  
7 31 improve energy efficiency, and reduce greenhouse gas  
7 32 emissions, and shall encourage and provide for research,  
7 33 development, commercialization, and the implementation of  
7 34 energy technologies and practices. Further, the technologies  
7 35 and practices are intended to reduce the state's dependence on  
8 1 foreign sources of energy and finite fossil fuels, reduce  
8 2 greenhouse gas emissions, and meet the demand for energy in an  
8 3 economical manner, sustain the environment, and develop  
8 4 business in Iowa.

8 5 The bill specifies that moneys appropriated to the fund or  
8 6 otherwise deposited into the fund shall be used to provide  
8 7 financial assistance to entities in this state conducting  
8 8 business, research, or programs to accelerate research and  
8 9 development, knowledge transfer, technology innovation, and  
8 10 improve economic competitiveness, and to increase the demand  
8 11 for and educate the public about technologies and approaches,  
8 12 all in furtherance of the goals established for the fund.  
8 13 Eligibility criteria for grants or loans from the fund, to be  
8 14 established by the director, are set forth.

8 15 The bill appropriates \$24,420,000 to the Iowa power fund  
8 16 from the general fund of the state for fiscal year 2007=2008,  
8 17 and \$25 million annually for fiscal years 2008=2009,  
8 18 2009=2010, and 2010=2011. The bill makes allocations from the  
8 19 appropriated amounts to specified agencies or entities for the  
8 20 purposes of energy planning and education, energy efficiency,  
8 21 and renewable energy and fuels development.

8 22 The bill takes effect upon enactment.

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